

ASSEMBLY, No. 5447

STATE OF NEW JERSEY

221st LEGISLATURE

INTRODUCED MARCH 17, 2025

Sponsored by:

Assemblyman CLINTON CALABRESE

District 36 (Bergen and Passaic)

Assemblyman STERLEY S. STANLEY

District 18 (Middlesex)

Co-Sponsored by:

Assemblywoman Donlon

SYNOPSIS

Prohibits sweepstakes model of wagering; establishes new penalties for unlawful gambling operations and practices; directs Division of Consumer Affairs and Division of Gaming Enforcement to enforce penalties.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 5/8/2025)

1 **AN ACT** concerning unlawful gambling operations in this State and
2 amending and supplementing various parts of the statutory law.

3
4 **BE IT ENACTED** *by the Senate and General Assembly of the State*
5 *of New Jersey:*

6
7 1. (New section) As used in this act, P.L. , c. (C.)
8 (pending before the Legislature as this bill):

9 “Game” means, but is not limited to, casino-style games such as
10 slot machines, video poker, table games such as roulette, blackjack,
11 craps, and poker; lottery games such as draw games, raffle, bingo,
12 and keno; and sports wagering.

13 “Prize or prize equivalent” means cash, a cash equivalent, or
14 merchandise; a token, object, or article exchangeable for cash, a
15 cash equivalent, or merchandise; or any form of credit or promise
16 directly or indirectly contemplating the transfer of cash, a cash
17 equivalent, or merchandise, or of any interest therein.

18 “Something of value” means the same as that term is defined by
19 subsection d. of N.J.S.2C:37-1.

20 “Sweepstakes” means a promotional, advertising, or marketing
21 event, contest, or game, whether played online or in person, in
22 which something of value, such as a prize or prize equivalent, is
23 awarded, either directly or indirectly through means such as a dual
24 currency system of payment that allows a participant to exchange
25 the currency for a prize or prize equivalent.

26
27 2. (New section) Except as otherwise provided in section 3 of
28 P.L. , c. (C.) (pending before the Legislature as this bill) or
29 authorized under any other law of this State, offering or conducting
30 a sweepstakes in which a person present in New Jersey may
31 participate by paying or proffering something of value, including,
32 but not limited to, an entry fee for the opportunity to win or receive
33 a prize or prize equivalent, shall constitute unlawful gambling in
34 violation of Article IV, Section VII, paragraph 2 of the New Jersey
35 Constitution, and shall subject the operator or sponsor, or any
36 officer, employee, or agent of the operator or sponsor, to civil
37 liability under section 5 of P.L. , c. (C.) (pending before
38 the Legislature as this bill) and under any other applicable law of
39 this State that prohibits gambling, and, to the extent applicable, may
40 subject such persons to criminal liability under N.J.S.2C:37-2,
41 N.J.S.2C:37-4, N.J.S.2C:37-7, and under any other criminal law of
42 this State that prohibits gambling.

43
44 3. (New section) a. Notwithstanding the provisions of section
45 2 of P.L. , c. (C.) (pending before the Legislature as this

EXPLANATION – Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 bill) or any other law or regulation to the contrary, offering,
2 conducting or participating in a sweepstakes that meets the
3 requirements of subsection b. of this section shall not constitute
4 unlawful gambling in violation of Article IV, Section VII,
5 paragraph 2 of the New Jersey Constitution, and shall not subject
6 the participant or the operator or sponsor of the sweepstakes or any
7 officer, employee, or agent of the operator or sponsor, to any civil
8 or criminal liability under the laws of this State that prohibit
9 gambling.

10 b. A sweepstakes in which a person present in New Jersey may
11 participate by paying or proffering something of value for the
12 opportunity to win or receive a prize or prize equivalent shall not be
13 deemed to violate section 2 of P.L. , c. (C.) (pending
14 before the Legislature as this bill) if:

15 (1) there exists a method of entry to participate in the
16 sweepstakes at no cost to the participant;

17 (2) any method of entry that is not free to the participant is
18 ancillary to the purchase of food, non-alcoholic beverages, or other
19 merchandise such as mugs, trinkets, or mementos, not exceeding
20 \$20 in value or such other amount to be determined by the Director
21 of the Division of Consumer Affairs in the Department of Law and
22 Public Safety; provided, however, that such other items of
23 merchandise shall not include coins, tokens, or online credits that
24 have no value other than permitting sweepstakes entry or that are
25 able to be exchanged for money or merchandise from the
26 sweepstakes operator or an affiliated company;

27 (3) determination of the winner or winners of the sweepstakes is
28 not in any way based on the results of any sports event or contest or
29 the performance or any facet thereof of any individual or team, or
30 the performance of a combination of any individuals or teams in
31 any sports event or contest, unless the sole and exclusive method of
32 entry to participate in the sweepstakes is at no cost to all
33 participants;

34 (4) the sweepstakes entry form or the website or application
35 used to enter an online or telephone sweepstakes clearly discloses to
36 participants the rules of the sweepstakes, the odds of a winning any
37 and all prizes, unless the sweepstakes permits an unlimited number
38 of entries, in which case the sponsor or operator shall disclose that
39 the sweepstakes permits unlimited entry, and the nature and number
40 of any prizes that may be awarded;

41 (5) the value of any cash or merchandise prize shall be income
42 for purposes of New Jersey income tax;

43 (6) no person under the age of 18 shall be permitted to claim a
44 sweepstakes prize exceeding \$1,000 in value without the consent of
45 the person's parent or guardian; and

46 (7) the odds of winning any particular prize shall be identical
47 regardless of whether the contest was entered by purchasing an
48 entry or by entering at no cost to the participant.

1 c. The Division of Consumer Affairs may adopt rules and
2 regulations pursuant to the “Administrative Procedure Act,”
3 P.L.1968, c.410 (C.52:14B-1 et seq.) to carry out the purposes of
4 sections 1 through 13 of P.L. , c. (C.) (pending before the
5 Legislature as this bill).

6
7 4. (New section) Whenever it shall appear to the director of
8 the Division of Consumer Affairs that a violation of section 2 of
9 P.L. , c. (C.) (pending before the Legislature as this bill)
10 has occurred, is occurring, or will occur, the division may, in
11 addition to any other proceeding authorized by law, seek and obtain
12 in a summary proceeding in Superior Court an injunction
13 prohibiting such violation. In any such proceeding, the court may
14 assess a civil penalty in accordance with the provisions of section 5
15 of P.L. , c. (C.) (pending before the Legislature as this
16 bill); order restoration to any person in interest of any monies or
17 property, real or personal, acquired by means of such violation in
18 accordance with the provisions of section 11 of P.L. , c.
19 (C.) (pending before the Legislature as this bill); and enter
20 such orders as may be necessary to prevent the recurrence of such
21 violation in the future and to remedy any past violation.

22
23 5. (New section) Any person found in violation section 2 of
24 P.L. , c. (C.) (pending before the Legislature as this bill)
25 shall, in addition to any other sanctions authorized by law or
26 regulation, be liable to a civil penalty of not more than \$100,000 for
27 the first offense and not more than \$250,000 for the second and
28 each subsequent offense. Each day that such violation continues
29 shall be deemed a separate offense.

30
31 6. (New section) When it shall appear to the director of the
32 Division of Consumer Affairs that a person has engaged in, is
33 engaging in, or is about to engage in any practice that violates
34 section 2 of P.L. , c. (C.) (pending before the Legislature
35 as this bill), or when the director believes it to be in the public
36 interest that an investigation should be made to ascertain whether a
37 person in fact has engaged in, is engaging in, or is about to engage
38 in, any such practice, the director may:

39 require such person to file on such forms as may be prescribed a
40 statement or report in writing, under oath or otherwise, as to all the
41 facts and circumstances concerning the sale or advertisement of
42 merchandise by such person, and such other data and information as
43 the director may deem necessary;

44 examine, under oath, any person in connection with the sale or
45 advertisement of any merchandise;

46 examine any merchandise or sample thereof, record, book,
47 document, account, or paper as the director may deem necessary;
48 and

1 pursuant to an order of the Superior Court, impound any record,
2 book, document, account, paper, or sample of merchandise that is
3 produced in accordance with this act, and retain the same in the
4 director's possession until the completion of all proceedings in
5 connection with which the same are produced.

6
7 7. (New section) Upon receiving evidence of any violation of
8 section 2 of P.L. , c. (C.) (pending before the Legislature
9 as this bill), the director of the Division of Consumer Affairs, or the
10 director's designee, shall be empowered to hold hearings upon said
11 violation and, upon finding the violation to have been committed, to
12 assess a penalty against the person alleged to have committed such
13 violation in an amount authorized by section 5 of P.L. , c.
14 (C.) (pending before the Legislature as this bill) as the director
15 deems proper under the circumstances. Any such amounts collected
16 by the director in excess of the costs and expenses incurred by the
17 division in exercising the authority granted by P.L. , c. (C.)
18 (pending before the Legislature as this bill), shall be paid forthwith
19 into the General Fund for appropriation by the Legislature to the
20 Department of Human Services for prevention, education, and
21 treatment programs for compulsive gambling that meet the criteria
22 developed pursuant to section 2 of P.L.1993, c.229 (C.26:2-169),
23 such as those provided by the Council on Compulsive Gambling of
24 New Jersey.

25
26 8. (New section) To enforce section 2 of P.L. , c. (C.)
27 (pending before the Legislature as this bill), the director of the
28 Division of Consumer Affairs, in addition to other powers conferred
29 upon the director by this act, may issue subpoenas to any person,
30 administer an oath or affirmation to any person, conduct hearings in
31 aid of any investigation or inquiry, promulgate such rules and
32 regulations, and prescribe such forms as may be necessary, which
33 shall have the force of law.

34
35 9. (New section) Service by the director of the Division of
36 Consumer Affairs of any notice requiring a person to file a
37 statement or report, or of a subpoena upon any person, in
38 connection with section 2 of P.L. , c. (C.) (pending before
39 the Legislature as this bill) shall be made personally within this
40 State, but if such cannot be obtained, substituted service therefor
41 may be made in the following manner:

42 personal service thereof without this State; or

43 the mailing thereof by registered mail to the last known place of
44 business, residence or abode, within or without this State of such
45 person for whom the same is intended; or

46 as to any person other than a natural person, in accordance with
47 the Rules Governing the Courts of the State of New Jersey

1 pertaining to service of process, provided, however, that service
2 shall be made by the Attorney General; or

3 such service as the Superior Court may direct in lieu of personal
4 service within this State.

5
6 10. (New section) If any person shall fail or refuse to file any
7 statement or report, or obey any subpoena issued by the director of
8 the Division of Consumer Affairs in connection with section 2 of
9 P.L. , c. (C.) (pending before the Legislature as this bill),
10 the director may apply to the Superior Court and obtain an order:

11 adjudging such person in contempt of court;

12 granting injunctive relief without notice restraining the sale or
13 advertisement of any merchandise by such persons;

14 vacating, annulling, or suspending the corporate charter of a
15 corporation created by or under the laws of this State or revoking or
16 suspending the certificate of authority to do business in this State of
17 a foreign corporation or revoking or suspending any other licenses,
18 permits, or certificates issued pursuant to law to such person which
19 are used to further the allegedly unlawful practice; and

20 granting such other relief as may be required; until the person
21 files the statement or report, or obeys the subpoena.

22
23 11. (New section) In addition to the assessment of civil
24 penalties, the director of the Division of Consumer Affairs or the
25 director's designee may, after a hearing and upon a finding of a
26 violation of section 2 of P.L. , c. (C.) (pending before the
27 Legislature as this bill), order that any moneys or property, real or
28 personal, which have been acquired by means of such violation be
29 restored to any person in interest, except that if any moneys or
30 property, real or personal, have been acquired by means of a
31 violation perpetrated against a senior citizen, the amount of moneys
32 or property, real or personal, ordered restored shall be twice the
33 amount acquired.

34 As used in this section, "senior citizen" means a person age 62
35 years or older.

36
37 12. (New section) Where, after a hearing, the director of the
38 Division of Consumer Affairs, or the director's designee, finds that
39 a violation of section 2 of P.L. , c. (C.) (pending before the
40 Legislature as this bill) has been or may be committed, the director
41 may order the person committing such violation to cease and desist
42 or refrain from committing said violation in the future. When it
43 shall appear to the director that a person against whom a cease and
44 desist order has been entered has violated said order, the director
45 may initiate a summary proceeding in the Superior Court for the
46 violation thereof. Any person found to have violated a cease and
47 desist order shall pay to the State of New Jersey civil penalties in
48 the amount of not more than \$25,000 for each violation of said

1 order. In the event that any person fails to pay a civil penalty
2 assessed by the court for violation of a cease and desist order, the
3 court assessing the unpaid penalty is authorized, upon application of
4 the director, to grant any relief which may be obtained under any
5 statute or court rule governing the collection and enforcement of
6 civil penalties.

7
8 13. (New section) At any time within five years after any
9 amount required to be collected pursuant to the provisions of
10 sections 2 through 12 of P.L. , c. (C.) (pending before the
11 Legislature as this bill) shall become due and payable, the Division
12 of Consumer Affairs may bring a civil action in the courts of this
13 State or any other state or of the United States, in the name of the
14 State of New Jersey, to collect the amount delinquent, together with
15 penalties and interest. If such action is brought in this State, a writ
16 of attachment may be issued and no bond or affidavit prior to the
17 issuance thereof shall be required. In all actions in this State, the
18 records of the division shall be prima facie evidence of the
19 determination of the amount of the delinquency.

20 Each debt that is due and payable and required to be collected,
21 and any monetary penalty imposed for a violation of section 2
22 through section 12 of P.L. , c. (C.) (pending before the
23 Legislature as this bill), shall constitute a lien on the real property
24 in this State owned or hereafter acquired by the person owing such
25 a debt or on whom such an obligation has been imposed. Except as
26 otherwise provided in R.S.54:5-9, such a lien shall be a first lien
27 paramount to all prior or subsequent liens, claims, or encumbrances
28 on that property.

29
30 14. (New section) In addition to any other authority provided
31 under law, whenever it shall appear to the Division of Gaming
32 Enforcement that a violation of section 112 of P.L.1977, c.110
33 (C.5:12-112) or unlawful gambling in violation of Article IV,
34 Section VII, paragraph 2 of the New Jersey Constitution, other than
35 a sweepstakes offered or conducted in violation of section 2 of
36 P.L. , c. (C.) (pending before the Legislature as this bill),
37 has occurred, is occurring, or will occur, the division may, in
38 addition to any other proceeding authorized by law, seek and obtain
39 in a summary proceeding in Superior Court an injunction
40 prohibiting such violation or unlawful gambling. In any such
41 proceeding the court may assess a civil penalty in accordance with
42 the provisions of section 15 of P.L. , c. (C.) (pending
43 before the Legislature as this bill); order restoration to any person in
44 interest of any monies or property, real or personal, acquired by
45 means of such violation or unlawful gambling in accordance with
46 the provisions of section 20 of P.L. , c. (C.) (pending
47 before the Legislature as this bill); and enter such orders as may be
48 necessary to prevent the recurrence of such violation or unlawful

1 gambling in the future, and to remedy any past violation or
2 unlawful gambling. In any action brought pursuant to this section,
3 the court shall not suspend or revoke any license issued by the
4 division.

5
6 15. (New section) Any person violating section 112 of
7 P.L.1977,
8 c.110 (C.5:12-112), or engaging in unlawful gambling in violation
9 of Article IV, Section VII, paragraph 2 of the New Jersey
10 Constitution, other than a sweepstakes offered or conducted in
11 violation of section 2 of P.L. , c. (C.) (pending before the
12 Legislature as this bill), shall, in addition to any other sanctions
13 authorized by law or regulation, be liable to a civil penalty of not
14 more than \$10,000 for the first offense and not more than \$25,000
15 for the second and each subsequent offense. Each statutory
16 violation shall constitute a separate offense.

17
18 16. (New section) In addition to any other authority provided
19 under the law, when it shall appear to the director of the Division of
20 Gaming Enforcement that a person has engaged in, is engaging in,
21 or is about to engage in any practice that violates section 112 of
22 P.L.1977, c.110 (C.5:12-112), or in any unlawful gambling in
23 violation of Article IV, Section VII, paragraph 2 of the New Jersey
24 Constitution, other than a sweepstakes offered or conducted in
25 violation of section 2 of P.L. , c. (C.) (pending before the
26 Legislature as this bill), or when the director believes it to be in the
27 public interest that an investigation should be made to ascertain
28 whether a person in fact has engaged in, is engaging in, or is about
29 to engage in, any such practice, the director may:

30 require such person to file on such forms as may be prescribed a
31 statement or report in writing under oath or otherwise, as to all the
32 facts and circumstances concerning the sale or advertisement of
33 merchandise by such person, and such other data and information as
34 the director may deem necessary;

35 examine under oath any person in connection with the sale or
36 advertisement of any merchandise;

37 examine any merchandise or sample thereof, record, book,
38 document, account, or paper as the director may deem necessary;
39 and

40 pursuant to an order of the Superior Court impound any record,
41 book, document, account, paper, or sample of merchandise that is
42 produced in accordance with this act, and retain the same in the
43 director's possession until the completion of all proceedings in
44 connection with which the same are produced.

45
46 17. (New section) Upon receiving evidence of any practice that
47 violates section 112 of P.L.1977, c.110 (C.5:12-112), or of unlawful
48 gambling in violation of Article IV, Section VII, paragraph 2 of the

1 New Jersey Constitution, unlawful gambling, other than a
2 sweepstakes offered or conducted in violation of section 2 of
3 P.L. , c. (C.) (pending before the Legislature as this bill),
4 the director of the Division of Gaming Enforcement, or the
5 director's designee, shall be empowered to hold hearings upon said
6 violation and, upon finding the violation to have been committed, to
7 assess a penalty against the person alleged to have committed such
8 violation, as well as against any person or entity, including but not
9 limited to third party providers or service providers of any kind,
10 found to have knowingly aided or abetted the commission of such
11 violation, in an amount authorized by section 15 of P.L. , c.
12 (C.) (pending before the Legislature as this bill), as the director
13 deems proper under the circumstances. Any such amounts collected
14 by the director shall be paid forthwith into the General Fund for the
15 general purposes of the State.

16
17 18. (New section) To enforce section 112 of P.L.1977, c.110
18 (C.5:12-112) or any prohibition against unlawful gambling in
19 violation of Article IV, Section VII, paragraph 2 of the New Jersey
20 Constitution other than a sweepstakes offered or conducted in
21 violation of section 2 of P.L. , c. (C.) (pending before the
22 Legislature as this bill), the director of the Division of Gaming
23 Enforcement, in addition to other powers conferred upon the
24 director, may issue subpoenas to any person, administer an oath or
25 affirmation to any person, conduct hearings in aid of any
26 investigation or inquiry, promulgate such rules and regulations, and
27 prescribe such forms as may be necessary, which shall have the
28 force of law.

29
30 19. (New section) Service by the director of the Division of
31 Gaming Enforcement of any notice requiring a person to file a
32 statement or report, or of a subpoena upon any person, pursuant to
33 sections 14 through 23 of P.L. , c. (C.) (pending before the
34 Legislature as this bill) shall be made personally within this State,
35 but if such cannot be obtained, substituted service therefor may be
36 made in the following manner:

37 personal service thereof without this State; or
38 the mailing thereof by registered mail to the last known place of
39 business, residence or abode, within or without this State of such
40 person for whom the same is intended; or
41 as to any person other than a natural person, in accordance with
42 the Rules Governing the Courts of the State of New Jersey
43 pertaining to service of process, provided, however, that service
44 shall be made by the Attorney General; or
45 such service as the Superior Court may direct in lieu of personal
46 service within this State.

1 20. (New section) If any person shall fail or refuse to file any
2 statement or report, or obey any subpoena issued by the director of
3 the Division of Gaming Enforcement pursuant to sections 14
4 through 23 of P.L. , c. (pending before the Legislature as this
5 bill), the director may apply to the Superior Court and obtain an
6 order:

7 adjudging such person in contempt of court;

8 granting injunctive relief without notice restraining the sale or
9 advertisement of any merchandise by such persons;

10 vacating, annulling, or suspending the corporate charter of a
11 corporation created by or under the laws of this State or revoking or
12 suspending the certificate of authority to do business in this State of
13 a foreign corporation or revoking or suspending any other licenses,
14 permits, or certificates issued pursuant to law to such person which
15 are used to further the allegedly unlawful practice; and

16 granting such other relief as may be required; until the person
17 files the statement or report, or obeys the subpoena.

18
19 21. (New section) In addition to the assessment of civil
20 penalties, the director of the Division of Gaming Enforcement or
21 the director's designee may, after a hearing and upon a finding of a
22 practice that violates section 112 of P.L.1977, c.110 (C.5:12-112),
23 or unlawful gambling in violation of Article IV, Section VII,
24 paragraph 2 of the New Jersey Constitution, other than a
25 sweepstakes offered or conducted in violation of section 2 of
26 P.L. , c. (C.) (pending before the Legislature as this bill),
27 order that any moneys or property, real or personal, which have
28 been acquired by means of such violation be restored to any person
29 in interest, except that if any moneys or property, real or personal,
30 have been acquired by means of a violation perpetrated against a
31 senior citizen, the amount of moneys or property, real or personal,
32 ordered restored shall be twice the amount acquired.

33 As used in this section, "senior citizen" means a person age 62
34 years or older.

35
36 22. (New section) In addition to any other authority provided
37 under the law, when, after a hearing, the director of the Division of
38 Gaming Enforcement or the director's designee, finds that a
39 violation of section 112 of P.L.1977, c.110 (C.5:12-112), or
40 unlawful gambling in violation of Article IV, Section VII,
41 paragraph 2 of the New Jersey Constitution, other than a
42 sweepstakes offered or conducted in violation of section 2 of c.
43 (C.) (pending before the Legislature as this bill), has been or
44 may be committed, the director may order the person committing
45 such violation to cease and desist or refrain from committing said
46 violation in the future. When it shall appear to the director that a
47 person against whom a cease and desist order has been entered has
48 violated said order, the director may initiate a summary proceeding

1 in the Superior Court for the violation thereof. Any person found to
2 have violated a cease and desist order shall pay to the State of New
3 Jersey civil penalties in the amount of not more than \$25,000 for
4 each violation of said order. In the event that any person fails to
5 pay a civil penalty assessed by the court for violation of a cease and
6 desist order, the court assessing the unpaid penalty is authorized,
7 upon application of the director, to grant any relief which may be
8 obtained under any statute or court rule governing the collection
9 and enforcement of civil penalties.

10
11 23. (New section) At any time within five years after any
12 amount required to be collected pursuant to the provisions of
13 sections 14 through 23 of P.L. , c. (C.) (pending before the
14 Legislature as this bill) or for any violation of State gambling laws
15 shall become due and payable, the Division of Gaming Enforcement
16 may bring a civil action in the courts of this State or any other state
17 or of the United States, in the name of the State of New Jersey, to
18 collect the amount delinquent, together with penalties and interest.
19 If such action is brought in this State, a writ of attachment may be
20 issued and no bond or affidavit prior to the issuance thereof shall be
21 required. In all actions in this State, the records of the division
22 shall be prima facie evidence of the determination of the amount of
23 the delinquency.

24 Each debt that is due and payable and required to be collected, and
25 any monetary penalty imposed for a violation of the State's
26 gambling laws, shall constitute a lien on the real property in this
27 State owned or hereafter acquired by the person owing such a debt
28 or on whom such an obligation has been imposed. Except as
29 otherwise provided in R.S.54:5-9, such a lien shall be a first lien
30 paramount to all prior or subsequent liens, claims, or encumbrances
31 on that property.

32
33 24. (New section) a. A person who participates in any form of
34 gambling activity by risking property with a value of \$1,000 or
35 more, having agreed to pay 10 percent or more of the proceeds of
36 the gambling activity to another, is guilty of a disorderly persons
37 offense, unless the person exercises sole control over whether and
38 in what manner the property involved is risked.

39 b. A person who solicits or conspires with another to violate
40 subsection a. of this section is guilty of a disorderly persons
41 offense.

42
43 25. N.J.S.2C:21-11 is amended to read as follows:

44 2C:21-11. Rigging or Improperly Influencing Publicly Exhibited
45 Contest or Sports Event.

46 a. A person commits a crime if, with purpose to prevent a
47 publicly exhibited contest or sports event from being conducted in

- 1 accordance with the rules and usages which govern it, **【he】** the
2 person:
- 3 (1) Confers or offers or agrees to confer any benefit upon, or
4 threatens any injury to a participant, official or other person
5 associated with the contest or **【exhibition; or】** sports event;
- 6 (2) Tamperers with any person, animal or thing;
- 7 (3) Gives, offers, or promises, or attempts to give to or offer, or
8 asks, receives, or offers to receive directly or indirectly, from any
9 other person any compensation, gratuity, or thing of value, or any
10 promise thereof, with the intention, understanding, or agreement
11 that the person or any player, participant, manager, coach, or other
12 official on, or associated with, a competitor or team in the contest
13 or sports event, regardless of by whom such person is employed;
- 14 (a) will not use best efforts to win the contest or sports event or
15 will cause themselves or their team to lose the contest or sports
16 event; or
- 17 (b) will engage in conduct so as to limit their, or their team's,
18 margin of victory or defeat; or
- 19 (4) Gives, offers, or promises, or attempts to give to or offer, or
20 asks, receives, or offers to receive, directly or indirectly, from any
21 other person any compensation, gratuity, or thing of value, or any
22 promise thereof, with the intention, understanding, or agreement
23 that the person or any judge, referee, or other person officiating in
24 the contest or sports event will fraudulently or corruptly judge,
25 referee, or officiate the contest or sports event.
- 26 b. Soliciting or accepting benefit for rigging. A person commits
27 a crime if **【he】** the person knowingly solicits, accepts or agrees to
28 accept any benefit the giving of which would be criminal under
29 subsection a. of this section.
- 30 c. If the benefit offered, conferred, agreed to be conferred,
31 solicited, accepted or agreed to be accepted in violation of
32 subsections a. and b. of this section is \$75,000.00 or more, the
33 offender is guilty of a crime of the second degree. If the benefit
34 exceeds **【\$1,000.00】** \$500, but is less than \$75,000, the offender is
35 guilty of a crime of the third degree. If the benefit is **【\$1,000.00】**
36 \$500 or less, the offender is guilty of a crime of the fourth degree.
- 37 d. Failure to report solicitation for rigging. A person commits a
38 disorderly persons offense if **【he】** the person fails to report, with
39 reasonable promptness, a solicitation to accept any benefit or to do
40 any tampering, the giving or doing of which would be criminal
41 under subsection a. of this section.
- 42 e. Participation in rigged contest or sports event. A person
43 commits a crime of the fourth degree if **【he】** the person knowingly
44 engages in, sponsors, produces, judges, or otherwise participates in
45 a publicly exhibited contest or sports event knowing that the contest
46 or sports event is being conducted in violation of subsection a. of

1 this section.

2 (cf: P.L.1986, c.129, s.2)

3

4 26. N.J.S.2C:37-1 is amended to read as follows:

5 2C:37-1. The following definitions apply to this chapter and to
6 chapter 64:

7 a. "Contest of chance" means any contest, game, pool, gaming
8 scheme or gaming device in which the outcome depends in a
9 material degree upon an element of chance, notwithstanding that
10 skill of the contestants or some other persons may also be a factor
11 therein.

12 b. "Gambling" means staking or risking something of value
13 upon the outcome of a contest of chance or a future contingent
14 event not under the actor's control or influence, upon an agreement
15 or understanding that **[he]** the actor will receive something of value
16 in the event of a certain outcome, or buying, selling, or trading
17 something of value upon an agreement or understanding that the
18 actor will receive something of value in the event of a certain
19 outcome in a contest of chance. For purposes of this subsection, a
20 contest of chance or a future contingent event not under the actor's
21 control or influence shall include, but need not be limited to, a
22 sports event on which a wager may be placed with a sports
23 wagering licensee pursuant to P.L.2018, c.33 (C.5:12A-10 et al.).

24 c. "Player" means a person who engages in any form of
25 gambling solely as a contestant or bettor, without receiving or
26 becoming entitled to receive any profit therefrom other than
27 personal gambling winnings, and without otherwise rendering any
28 material assistance to the establishment, conduct or operation of
29 the particular gambling activity. A person who gambles at a social
30 game of chance on equal terms with the other participants therein
31 does not thereby render material assistance to the establishment,
32 conduct or operation of such game if he performs, without fee or
33 remuneration, acts directed toward the arrangement or facilitation
34 of the game, such as inviting persons to play, permitting the use of
35 premises therefor or supplying cards or other equipment used
36 therein. A person who engages in "bookmaking" as defined in this
37 section is not a "player."

38 d. "Something of value" means any money or property, any
39 token, object or article exchangeable for money or property, or any
40 form of credit or promise directly or indirectly contemplating
41 transfer of money or property or of any interest therein, or
42 involving extension of a service, entertainment or a privilege of
43 playing at a game or scheme without charge. This definition,
44 however, does not include any form of promise involving extension
45 of a privilege of playing at a game without charge on a mechanical
46 or electronic amusement device, other than a slot machine as an
47 award for the attainment of a certain score on that device.

1 e. "Gambling device" means any device, machine,
2 paraphernalia or equipment which is used or usable in the playing
3 phases of any gambling activity, whether such activity consists of
4 gambling between persons or gambling by a person involving the
5 playing of a machine. Notwithstanding the foregoing, lottery
6 tickets, policy slips and other items used in the playing phases of
7 lottery and policy schemes are not gambling devices.

8 f. "Slot machine" means any mechanical, electrical or other
9 device, contrivance or machine which, upon insertion of a coin,
10 token or similar object therein, or upon payment of any
11 consideration whatsoever, is available to play or operate, the play
12 or operation of which, whether by reason of the skill of the
13 operator or application of the element of chance, or both, may
14 deliver or entitle the person playing or operating the machine to
15 receive cash or tokens to be exchanged for cash, whether the payoff
16 is made automatically from the machine or in any other manner
17 whatsoever. A device so constructed, or readily adaptable or
18 convertible to such use, is no less a slot machine because it is not
19 in working order or because some mechanical act of manipulation
20 or repair is required to accomplish its adaptation, conversion or
21 workability.

22 g. "Bookmaking" means advancing gambling activity by
23 unlawfully accepting bets from members of the public upon the
24 outcome of future contingent events as a business.

25 h. "Lottery" means an unlawful gambling scheme in which (a)
26 the players pay or agree to pay something of value for chances,
27 represented and differentiated by numbers or by combinations of
28 numbers or by some other media, one or more of which chances are
29 to be designated the winning ones; and (b) the winning chances are
30 to be determined by a drawing or by some other method based
31 upon the element of chance; and (c) the holders of the winning
32 chances are to receive something of value.

33 i. "Policy" or "the numbers game" means a form of lottery in
34 which the winning chances or plays are not determined upon the
35 basis of a drawing or other act on the part of persons conducting or
36 connected with the scheme, but upon the basis of the outcome or
37 outcomes of a future contingent event or events otherwise unrelated
38 to the particular scheme.

39 j. "Gambling resort" means a place to which persons may resort
40 for engaging in gambling activity.

41 k. "Unlawful" means not specifically authorized by law.

42 l. "Online gambling resort" means a website or application
43 accessed via the Internet or other computer or mobile connection to
44 which persons may resort for engaging in gambling activity.

45 (cf: P.L.1982, c.60, s.1)

46

47 27. N.J.S.2C:37-2 is amended to read as follows:

48 2C:37-2. Promoting Gambling.

1 a. Promoting Gambling Defined. A person is guilty of
2 promoting gambling when **【he】 the person** knowingly:

3 (1) Accepts or receives money or other property, pursuant to an
4 agreement or understanding with any person whereby **【he】 the**
5 **person** participates or will participate in the proceeds of gambling
6 activity, including, but not limited to gambling activity that occurs
7 online, unless such gambling activity is under the regulation and
8 control of the State; or

9 (2) Engages in conduct, which materially aids any form of
10 gambling activity. Such conduct includes but is not limited to
11 conduct directed toward the creation or establishment of the
12 particular game, contest, scheme, device or activity involved,
13 toward the acquisition or maintenance of premises, paraphernalia,
14 equipment or apparatus therefor, toward the solicitation or
15 inducement of persons to participate therein, toward the actual
16 conduct of the playing phases thereof, toward the arrangement of
17 any of its financial or recording phases, or toward any other phase
18 of its operation.

19 b. Grading. A person who violates the provisions of subsection
20 a. of this section by:

21 (1) Engaging in bookmaking to the extent **【he】 the person**
22 receives or accepts in any one day more than five bets totaling more
23 than \$1,000.00; or

24 (2) Receiving, in connection with a lottery or policy scheme or
25 enterprise (a) money or written records from a person other than a
26 player whose chances or plays are represented by such money or
27 records, or (b) more than \$100.00 in any one day of money played
28 in such scheme or enterprise, is guilty of a crime of the third degree
29 and notwithstanding the provisions of section 2C:43-3 shall be
30 subject to a fine of not more than \$35,000.00 and any other
31 appropriate disposition authorized by **【N.J.S.2C:43-2 b】 subsection**
32 **b. of N.J.S.2C:43-2.**

33 A person who violates the provisions of subsection a. of this
34 section by engaging in bookmaking to the extent **【he】 the person**
35 receives or accepts three or more bets in any two-week period is
36 guilty of a crime of the fourth degree and notwithstanding the
37 provisions of section 2C:43-3 shall be subject to a fine of not more
38 than \$25,000.00 and any other appropriate disposition authorized by
39 **【N.J.S.2C:43-2b】 subsection b. of N.J.S.2C:43-2.** Otherwise,
40 promoting gambling is a disorderly persons offense and
41 notwithstanding the provisions of section 2C:43-3 shall be subject
42 to a fine of not more than \$10,000.00 and any other appropriate
43 disposition authorized by **【N.J.S.2C:43-2b】 subsection b. of**
44 **N.J.S.2C:43-2.**

45 c. It is **【a】 an affirmative** defense to a prosecution under
46 subsection a. that the person participated only as a player. **【It shall**

1 be the burden of the defendant to prove by clear and convincing
2 evidence his status as such player.】

3 (cf: P.L.1997, c.181, s.9)

4
5 28. N.J.S.2C:37-4 is amended to read as follows:

6 2C:37-4. Maintenance of a Gambling Resort or Online
7 Gambling Resort.

8 a. A person is guilty of a crime of the **【fourth】** third degree if,
9 having substantial proprietary or other authoritative control over
10 premises which are being used with his knowledge for purposes of
11 activities prohibited by N.J.S.2C:37-2 and N.J.S.2C:37-3, **【he】** the
12 person permits such to occur or continue or makes no effort to
13 prevent its occurrence or continuation and **【he】** the person accepts
14 or receives money or other property pursuant to an agreement or
15 understanding with any person whereby **【he】** the person
16 participates or will participate in the proceeds of such gambling
17 activity on such premises and notwithstanding the provisions of
18 section 2C:43-3 shall be subject to a fine of not more than
19 **【\$25,000.00】** \$50,000 and any other appropriate disposition
20 authorized by **【N.J.S.2C:43-2b】** subsection b. of N.J.S.2C:43-2.

21 b. A person is guilty of a crime of the **【fourth】** third degree if,
22 having substantial proprietary or other authoritative control over
23 premises open to the general public which are being used with **【his】**
24 the person's knowledge for purposes of gambling activity, **【he】** the
25 person permits such to occur or continue or makes no effort to
26 prevent its occurrence or continuation and notwithstanding the
27 provisions of section 2C:43-3 shall be subject to a fine of not more
28 than **【\$25,000.00】** \$50,000 and any other appropriate disposition
29 authorized by **【N.J.S.2C:43-2b】** subsection b. of N.J.S.2C:43-2.

30 c. A person is guilty of a crime of the third degree if the person
31 operates or maintains an online gambling resort through which
32 persons from within New Jersey are permitted to wager unless such
33 gambling activity is under the regulation and control of the State
34 and, notwithstanding the provisions of N.J.S.2C:43-3, shall be
35 subject to a fine of not less than \$50,000 nor more than \$100,000
36 and any other appropriate disposition authorized by subsection b. of
37 N.J.S.2C:43-2.

38 (cf: P.L.1997, c.181, s.11)

39
40 29. Section 113 of P.L.1977, c.110 (C.5:12-113) is amended to
41 read as follows:

42 113. Swindling and Cheating; Penalties.

43 a. A person is guilty of swindling and cheating if the person:
44 (1) purposely or knowingly by any trick or sleight of hand
45 performance or by a fraud or fraudulent scheme, cards, dice or
46 device, for **【himself or herself】** themselves or for another, wins or
47 attempts to win money or property or a representative of either or

1 reduces a losing wager or attempts to reduce a losing wager in
2 connection to casino gaming, Internet gaming, or sports wagering:

3 (2) purposely or knowingly places any sports wager having
4 knowledge of information not available to the general public
5 bearing upon that wager and wins, or attempts to win, money or
6 property or a representative of either; or

7 (3) with the purpose to deceive, uses another person's gaming
8 account, including, but not limited to, a wagering account for
9 Internet gaming or sports wagering, to place a wager and wins, or
10 attempts to win, money or property or a representative of either.

11 b. Consolidation of offenses. Conduct denominated swindling
12 and cheating in this section constitutes a single offense, but each
13 episode or transaction may be the subject of a separate prosecution
14 and conviction. A charge of swindling and cheating may be
15 supported by evidence that it was committed in any manner that
16 would be swindling and cheating under this section,
17 notwithstanding the specification of a different manner in the
18 indictment or accusation, subject only to the power of the court to
19 ensure a fair trial by granting a bill of particulars, discovery,
20 continuance, or other appropriate relief when the conduct of the
21 defense would be prejudiced by a lack of fair notice or by surprise.

22 c. Grading of swindling and cheating offenses.

23 (1) Swindling and cheating constitutes a crime of the second
24 degree if the amount involved is \$75,000 or more.

25 (2) Swindling and cheating constitutes a crime of the third
26 degree if the amount involved exceeds \$500.

27 (3) Swindling and cheating constitutes a crime of the fourth
28 degree if the amount involved is at least \$200 but not more than
29 \$500.

30 (4) Swindling and cheating constitutes a disorderly persons
31 offense if the amount involved is less than \$200.

32 (5) The amount involved in swindling and cheating shall be
33 determined by the trier of fact. Amounts involved in acts of
34 swindling and cheating committed pursuant to one scheme or course
35 of conduct, whether from the same person or several persons, may
36 be aggregated in determining the grade of the offense.

37 (cf: P.L.2002, c.65, s.27)

38
39 30. This act shall take effect immediately.
40
41

42 STATEMENT

43
44 This bill prohibits unlawful gambling operations in this State,
45 including a model of wagering frequently referred to as
46 "sweepstakes," and establishes new penalties for unlawful gambling
47 operations and practices.

1 Under the bill, “sweepstakes” are expressly prohibited. The bill
2 defines “sweepstakes” to mean a promotional, advertising, or
3 marketing event, contest, or game, whether played online or in-
4 person, in which something of value, such as a prize or prize
5 equivalent, is awarded, either directly or indirectly through means
6 such as a dual-currency system of payment that allows a participant
7 to exchange the currency for a prize or prize equivalent.

8 The bill creates an exception to this prohibition, if:

9 (1) there exists a method of entry to participate in the
10 sweepstakes at no cost to the participant;

11 (2) any method of entry that is not free to the participant is
12 ancillary to the purchase of food, non-alcoholic beverages, or other
13 merchandise not exceeding \$20 in value or such other amount to be
14 determined by the Director of the Division of Consumer Affairs in
15 the Department of Law and Public Safety; provided, however, that
16 such other items of merchandise will not include coins, tokens, or
17 online credits that have no value other than permitting sweepstakes
18 entry or that are able to be exchanged for money or merchandise
19 from the sweepstakes operator or an affiliated company;

20 (3) determination of the winner or winners of the sweepstakes is
21 not in any way based on the results of any sports event or contest or
22 the performance or any facet thereof of any individual or team, or
23 the performance of a combination of any individuals or teams in
24 any sports event or contest, unless the sole and exclusive method of
25 entry to participate in the sweepstakes is at no cost to all
26 participants;

27 (4) the sweepstakes entry form or the website or application
28 used to enter an online or telephone sweepstakes clearly discloses to
29 participants: the rules of the sweepstakes; the odds of a winning any
30 and all prizes, unless the sweepstakes permits an unlimited number
31 of entries, in which case the sponsor or operator must disclose that
32 the sweepstakes permits unlimited entry; and the nature and number
33 of any prizes that may be awarded;

34 (5) the value of any cash or merchandise prize will be
35 considered income for purposes of New Jersey income tax;

36 (6) no person under the age of 18 will be permitted to claim a
37 sweepstakes prize exceeding \$1,000 in value without the consent of
38 their parent or guardian; and

39 (7) the odds of winning any particular prize will be identical
40 regardless of whether the contest was entered by purchasing an
41 entry or by entering at no cost to the participant.

42 The bill expands the scope of criminal conduct concerning the
43 maintenance of a gambling resort to include the maintenance of an
44 online gambling resort, and increases the penalty from a crime of
45 the fourth degree to a crime of the third degree. The bill defines an
46 online gambling resort as a website or application accessed via the
47 Internet or other computer or mobile connection to which persons
48 may resort for engaging in gambling activity.

1 The bill expands the definition of “gambling” within the criminal
2 statutes to include the buying, selling, or trading something of value
3 upon an agreement or understanding that the actor will receive
4 something of value in the event of a certain outcome in a contest of
5 chance. A contest of chance or a future contingent event not under
6 the actor’s control or influence would include, but need not be
7 limited to, a sports event on which a wager may be placed with a
8 sports wagering licensee.

9 This bill also expands the scope of conduct which would
10 constitute the illegal “rigging” of publicly exhibited contests to
11 include improper influences and sporting events. Under the bill it
12 would be a crime whenever a person:

13 Gives, offers, or promises, or attempts to give to or offer, or
14 asks, receives, or offers to receive directly or indirectly from any
15 other person any compensation, gratuity, or thing of value, or any
16 promise thereof, with the intention, understanding, or agreement
17 that that person or any player, participant, manager, coach, or other
18 official on or associated with a competitor or team in the contest or
19 sports event, regardless of by whom such person is employed will
20 not use best efforts to win the contest or sports event or will cause
21 themselves or their team to lose the contest or sports event or will
22 engage in conduct so as to limit their or their team’s margin of
23 victory or defeat; or

24 Gives, offers, or promises, or attempts to give to or offer, or
25 asks, receives, or offers to receive directly or indirectly from any
26 other person any compensation, gratuity, or thing of value, or any
27 promise thereof, with the intention, understanding, or agreement
28 that that person or any judge, referee, or other person officiating in
29 the contest or sports event will fraudulently or corruptly judge,
30 referee, or officiate the contest or sports event.

31 The bill also revises the prohibition against swindling or
32 cheating to include purposely or knowingly placing any sports
33 wager having knowledge of information not available to the general
34 public bearing upon that wager and winning, or attempting to win,
35 money or property or a representative of either, and using another
36 person’s gaming account to place a wager and winning or
37 attempting to win money or property or a representative of either.

38 Additionally, the bill makes it illegal to engage in proxy betting,
39 in which a person risks property with a value of \$1,000 or more,
40 having agreed to pay 10 percent or more of the proceeds of the
41 gambling activity to another. A person who engages in proxy
42 betting is guilty of a disorderly persons offense, unless the person
43 exercises sole control over whether, and in what manner, the
44 property involved is risked. A person who conspires to engage in
45 proxy betting is also guilty of a disorderly persons offense.

46 In order to enforce the provisions of the bill, the Division of
47 Consumer Affairs (DCA) is tasked with the regulation and
48 enforcement of all provisions related to the conduct of sweepstakes

1 in this State, and the Division of Gaming Enforcement (DGE) is
2 given the authority to enforce all other prohibitions against
3 unlawful gambling.

4 The bill authorizes DCA and DGE, as appropriate, to:

5 Seek and obtain injunctive relief to halt any unlawful gambling
6 operation;

7 Enforce civil penalties against the operators of unlawful
8 gambling operations in the amount of \$100,000 for the first offense
9 and \$250,000 for every subsequent offense;

10 Conduct investigations into the suspected operators and
11 accomplices of unlawful gambling operations, including the
12 issuance of subpoenas to collect necessary information and
13 interview necessary parties;

14 Apply to the Superior Court for relief from parties who have
15 refused to comply with subpoenas, including a finding of the parties
16 in contempt of court and the revocation of any licenses or operating
17 permits issued in the State;

18 Order that any moneys or property, real or personal, which have
19 been acquired by means of an unlawful gambling operation be
20 restored to any person in interest, and be returned in twice the
21 amount to any senior citizen;

22 Issue cease and desist order upon a finding that an unlawful
23 gambling operation is being conducted, and seek a civil penalty of
24 \$25,000 for each violation of a cease and desist order; and

25 Impose a lien on any property or assets held by a party who has
26 been fined in accordance with the provisions of this bill in the
27 preceding five years.